



UNAUDITED FINANCIAL RESULTS (QUARTERLY)

As at Second Quarter (30/09/2074) of the Fiscal Year 2074/2075 (2017/2018)

In '000

S.N.	Particulars	"This Quarter Ending (30/09/2074) (14/01/2018)"		"Previous Quarter Ending (31/06/2074) (17/10/2017)"	"Corresponding Previous Year Quarter Ending (29/09/2073) (13/01/2017)"
		Group	BOK	BOK	BOK
1	Total Capital & Liabilities (1.1 to 1.7)	86,360,700	86,410,934	83,575,720	84,196,865
1.1	Paid-up Capital	6,245,383	6,245,383	5,629,576	5,629,576
1.2	Reserves and Surplus	4,897,466	4,897,507	3,538,180	2,752,621
1.3	Debtenture and Bond	1,000,000	1,000,000	1,000,000	1,000,000
1.4	Borrowings	246,857	246,857	289,518	1,294,400
1.5	Deposits (a+b)	70,299,597	70,439,860	69,150,986	70,000,723
	a. Domestic Currency	68,994,765	69,135,028	67,627,689	68,801,439
	b. Foreign Currency	1,304,832	1,304,832	1,523,297	1,199,284
1.6	Income Tax Liabilities	-	-	-	-
1.7	Other Liabilities	3,602,571	3,581,327	3,967,460	3,519,544
1.8	Non-controlling Interest	68,826	-	-	-
2	Total Assets (2.1 to 2.7)	86,360,700	86,410,934	83,575,720	84,196,865
2.1	Cash & Bank Balance	7,686,156	7,664,919	6,800,453	7,856,592
2.2	Money at call and short Notice	304,500	304,500	338,100	-
2.3	Investments	11,282,165	11,367,466	11,940,728	11,668,170
2.4	Loans & Advances (a+b+c+d+e+f)	64,669,423	64,669,423	62,328,067	62,788,945
	a. Real Estate Loan	3,631,887	3,631,887	3,596,754	3,783,934
	1. Residential Real Estate Loan (Except Personal Home Loan upto Rs 10 million)	506,127	506,127	490,217	458,217
	2. Business Complex & Residential Apartment Construction Loan	114,897	114,897	115,510	113,809
	3. Income generating Commercial Complex Loan	268,861	268,861	319,586	274,914
	4. Other Real Estate Loan (Including Land Purchase & Plotting)	2,742,002	2,742,002	2,671,442	2,936,994
	b. Personal Home Loan of Rs. 10 million or less	3,781,646	3,781,646	3,822,611	3,942,555
	c. Margin Type Loan	685,329	685,329	705,584	570,501
	d. Term Loan	10,311,130	10,311,130	10,262,344	9,197,346
	e. Overdraft Loan / TR Loan / WC Loan	33,956,601	33,956,601	30,787,904	31,678,575
	f. Others	12,302,829	12,302,829	13,152,870	13,616,035
2.5	Fixed Assets	960,059	950,581	949,711	949,120
2.6	Non Banking Assets	25,858	25,858	25,858	25,858
2.7	Other Assets	1,432,539	1,428,187	1,192,803	908,178
3	Profit and Loss Account	At the End of This Quarter		"At the End of Previous Quarter"	"At the End of Corresponding Previous Year Quarter"
		Group	BOK	BOK	BOK
3.1	Interest Income	3,889,176	3,888,286	1,920,990	2,661,045
3.2	Interest Expense	2,582,769	2,583,079	1,347,311	1,359,213
A	Net Interest Income (3.1-3.2)	1,306,407	1,305,207	573,679	1,309,832
3.3	Fees Commission and Discount	167,347	166,914	76,937	172,583
3.4	Other Operating Income	72,981	72,947	45,956	72,065
3.5	Foreign Exchange Gain/Loss (Net)	117,832	117,832	63,180	119,001
B	Total Operating Income (A+3.3+3.4+3.5)	1,664,567	1,662,900	759,752	1,673,481
3.6	Staff Expenses	402,107	401,282	199,900	379,800
3.7	Other Operating Expenses	269,992	269,089	134,072	272,907
C	Operating profit Before Provision (B-3.6-3.7)	992,468	992,529	425,780	1,020,773
3.8	Provision for Possible Loss	235,966	235,966	132,958	154,775
D	Operating profit (C-3.8)	756,502	756,563	292,822	865,998
3.9	Non Operating Income/Expenses (Net)	28,768	28,768	2,044	7,523
3.10	Write Back of Provision for Possible Loss	68,675	68,675	48,971	60,631
E	Profit From Regular Activities (D+3.9+3.10)	853,945	854,006	343,837	934,152
3.11	Extraordinary Income/Expenses (Net)	12,761	12,761	8,234	10,980
F	Profit Before Bonus and Taxes (E+3.11)	866,706	866,767	352,071	945,131
3.12	Provision For Staff Bonus	78,797	78,797	32,006	85,921
3.13	Provision For Tax	236,391	236,391	96,019	257,763
G	Net Profit/Loss (F-3.12 -3.13)	551,518	551,579	224,046	601,447
3.14	Share of Non-Controlling Interest on Profit of Subsidiary	(21)	-	-	-
H	Net Profit/Loss (G-3.14)	551,539	551,579	224,046	601,447
4	Ratios	At the End of This Quarter		"At the End of Previous Quarter"	"At the End of Corresponding Previous Year Quarter"
		Group	BOK	BOK	BOK
4.1	Capital Fund to RWA	15.66%	15.45%	13.82%	13.09%
4.2	Non Performing Loan (NPL) to Total Loan	1.86%	1.86%	2.08%	1.51%
4.3	Total Loan Loss Provision to total NPL	117.19%	117.19%	114.51%	143.53%
4.4	Cost of Funds	7.60%	7.60%	7.78%	4.15%
4.5	CD Ratio (Calculated as per NRB Directives)	79.24%	79.24%	77.39%	78.97%
4.6	Base Rate	10.38%	10.38%	10.68%	7.10%
4.7	Average Interest Spread (Calculated as per NRB Directives)	3.84%	3.84%	3.83%	3.91%
	Additional Information				
	Average Yield (Local Currency)	10.47%	10.47%	11.05%	7.59%
	Return on Equity (Annualised)	11.57%	11.58%	9.84%	14.83%
	Return on Assets (Annualised)	1.29%	1.29%	1.05%	1.49%

Note: 1. The unaudited financial figure may change if directed by Statutory Auditor/ Supervisory Authorities
2. Figures of previous periods have been regrouped wherever necessary as per NRB Directives
3. Group includes Bank of Kathmandu Ltd. and Kathmandu Capital Markets Ltd. (Subsidiary of Bank of Kathmandu Ltd.)

Securities Registration and Issuance Rules 2065 (Rule # 22 (2), Annexure 14) 2nd Quarter Report – FY 2074-75

1. Financial Indicators

Earning Per Share (Annualized)	: 17.66
Price Earning Ratio (Annualized)	: 23.21
Net Worth Per Share	: 178.42
Assets Per Share	: 1,383.60
Liquidity Ratio	: 26.31%

2. Management Analysis

- a. The total deposit volume of Bank is NPR 70.44 bn whereas loans and advances is NPR 64.67 bn and Net profit of bank is NPR 551.58 mn at the end of 2nd Quarter of FY 074/75.
- b. No specific incident observed that could have impact on deposit volume, profitability and cash flow of the bank.

3. Details Pertaining to Legal Proceedings

- a. There were no major legal cases filed by or filed against the Bank during the review period.
- b. There were no legal cases filed by or filed against promoters or directors of the Bank during the review period.
- c. There were no legal cases filed against promoter or directors of the Bank regarding financial misappropriation.

4. Analysis of Bank's Share Transactions

- a. No abnormal incidents occurred during the review period that could have a material effect on the Bank.
- b. Share Transaction Detail of the Review Period

Months	Maximum Share Price	Minimum Share Price	Last Share Price	Total Traded Days	Total Transaction Nos.
Kartik 2074	458	400	404	20	1375
Mangsir 2074	433	400	409	18	1183
Poush 2074	426	395	410	19	1488

5. Problems and Challenges

Internal

- Maintaining interest spread
- Managing increased operation cost

External

- Competitive environment between financial institutions
- Limited market
- Changing liquidity condition
- Volatile foreign exchange market
- Change in policies and regulations having direct impact in the business
- Adverse investment climate discouraging foreign direct investment

Bank's Strategy to mitigate problems and challenges

- Focus on new and high yield services by optimum utilization of funds
- Provide quality and latest technology based services to customers
- Expand network so as to broaden the reach to targeted markets
- Explore new prospective lending sectors so as to broaden the scope of lending
- Closely monitor the cost component to remain competitive in the market
- Proactive approach in providing provisions
- Closely follow activities in international market

6. Corporate Governance

- **Safeguard of depositors and shareholders rights and interests:** The Bank has been providing timely and regularly all the necessary financial information to all the stakeholders.
- **Effective Audit Committee:** The independent audit committee has ensured the establishment of effective internal controls and provides suggestions and guidance to the management if necessary.
- **Effective Compliance:** To ensure that the prevalent laws and rules are followed, the Bank has developed policies and clear authorities to guide the function of management which is coordinated by Integrated Risk Management as well as Compliance Department and monitored by Internal Audit Department.

7. Details as per Rule 22 (5) related to special incident or condition

None.

8. Declaration by CEO regarding True Financial Information

I take the responsibility for the correctness of the information disclosed in the report. I also declare that as far as I understand the information provided in the report are true, fair and complete and have not concealed any factual information and notices from investors to take investment decisions.